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Performance of Rhode Island's Commercial Health Plans, 2003

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Health plans differ in how they keep members well and how they care for them when they are ill. They also differ in how they provide access to care and deliver services. To consumers, the cost, quality, and access to care provided by a plan may affect their health. To employers, these same issues may influence worker absenteeism, productivity, and the company's personnel costs.

Of Rhode Island's commercially insured population, 88% receive their health coverage through four health plans - Blue Cross and Blue Shield of RI, its wholly owned subsidiary BlueCHiP, United Healthcare of New England, and Blue Cross of Massachusetts. Information about how these plans perform is essential to determining if value is received from the premium dollars expended.

In response to this need for information, the Rhode Island General Assembly passed the Health Care Accessibility and Quality Assurance Act in 1996. The Act instituted a program of health plan performance reporting in Rhode Island. Since that time, the state has become a national leader in this field.[1] The information presented here is derived from the program's most recent annual report on the performance of commercial health plans in the state.[2]

Methods. The Rhode Island Department of Health uses an annual survey to collect health plan data from three primary audited sources: Statutory financial filings, **Health Plan Employer Data and Information Set (HEDIS)** reports,[3] and **Consumer Assessment of Health Plans (CAHPS)**[4] reports. This survey is supplemented by utilization review information also reported by the plans.

Thirty-six measures are collected, which fall into nine separate dimensions of performance (enrollment, finances, utilization, prevention, screening, treatment, access, satisfaction, and utilization review). To gauge performance, the measures are analyzed over time (i.e., trended) and are compared to national and **New England (NE)** benchmarks.[5]

Results. Rhode Island's commercial health insurance market is concentrated in two carriers. Blue Cross and Blue Shield of RI, with its subsidiary BlueCHiP, has a market share of 64%, and United Healthcare of NE controls 18%. Blue Cross of Massachusetts has made some inroads, but its share remains in the single digits (7%). The remainder of the market (12%) consists of a number of smaller plans, none of which has more than 10,000 fully-insured RI members.

Average monthly health plan premiums in 2003 were 25% higher in RI than in the US ($248 versus $198), but 5% less than in NE ($248 versus $261). (Figure 1) RI plans spent 26% more on healthcare services than did plans nationally ($209 per member per month versus $166), and slightly less than regional plans ($209 versus $219). The higher expenditures for health care services may be partly due to Rhode Islanders' greater use of hospital services. The inpatient day utilization rate was significantly above both US and NE rates (11% and 21% higher, respectively). Utilization of hospital **emergency departments (EDs)** was 9% greater than the US rate (but comparable to the NE rate).

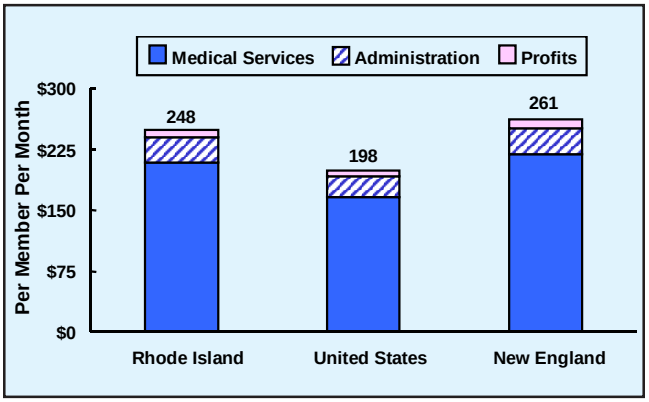

Figure 1. *Average health plan premium per member per month, by component and geographical area, Rhode Island, United States, and New England, 2003.*

In addition, local plans incurred 22% more administrative expenses than US plans ($31.02 versus $25.51), but about the same as their NE counterparts ($31.02 versus $31.52). Statewide, health plan profitability peaked in 2003, with a $8.60 underwriting profit per member per month compared to a $6.89 profit nationally, and a $10.72 profit in NE.

Rhode Island health plans generally performed comparatively well on 20 clinical and access quality measures in 2003. (Table 1; see Reference 2 for full definitions of measures.) Overall, RI plans improved on eight measures (40%) and held steady on the remaining twelve measures (60%) when compared to 2002. In addition, on these 20

Table 1.
Health Plan Performance Based on Clinical Measures, Rhode Island (2002, 2003), New England (2003), and United States (2003).

Dimension/Measure	Rhode Island, 2003 Compared to -		
	Rhode Island, 2002	New England, 2003	United States, 2003
Prevention			
Childhood Immunization	=	=	+6%
Adolescent Immunization	+9%	=	+32%
Advising Smokers to Quit	+12%	=	+8%
Screening			
Breast Cancer Screening	=	=	=
Cervical Cancer Screening	=	=	=
Chlamydia Screening	+19%	-6%	+10%
Diabetes Care: Eye Exam Screening	=	-6%	+15%
Diabetes Care: HbA1c Tested	=	=	=
Treatment			
Controlling High Blood Pressure	=	+7%	+14%
Beta Blocker Treatment	=	=	=
Cholesterol Management	+5%	=	+5%
Diabetes Care: HbA1c Controlled	+10%	-11%	=
Antidepressant Medication Management	+19%	=	+43%
Access			
Follow-up for Mental Illness	+9%	-6%	=
Prenatal Care Access	=	-10%	=
Postpartum Care Access	=	-5%	=
Well Child Visits	=	=	+28%
Adolescent Well-Care Visits	=	+8%	+60%
Mental Health Access	=	+25%	+79%
Substance Abuse Access	+7%	+65%	+114%

Note: "=" indicates differences of no more than 5%.

measures, RI surpassed the national benchmarks on twelve measures (60%), and was comparable to those benchmarks on the other eight measures (40%). [Note: Differences of less than 5% are not considered significant.]

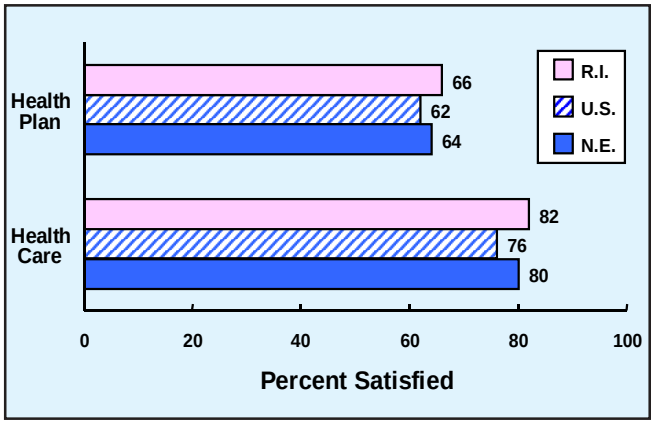

Figure 2. *Health plan member satisfaction with health plan and health care, by geographic area, Rhode Island, United States, and New England, 2003.*

Compared to the regional experience, RI plans did less well. On the 20 quality metrics, RI surpassed the New England benchmarks on four measures (20%), were comparable to those benchmarks on ten measures (50%), and fell below the benchmarks on 6 measures (30%).

Even though RI health plans' comparative performance was quite favorable, the absolute values on certain measures are a concern. An example is *Antidepressant Medical Management*, an 'effectiveness of care' treatment measure. 'Effective' in this case means not that the underlying disease was cured, but that the treatment was 'optimally' managed. RI's 2003 value improved by 19% from 2002, and was a full 43% higher than the US benchmark. Nevertheless, the absolute value for Rhode Island plans was only 29%, clearly leaving room for improvement.

Two-thirds of Rhode Islanders were satisfied with their health plans and four-fifths were satisfied with their health care. (Figure 2) RI's healthcare satisfaction rate was 6 percentage points higher than the national rate and similar to the regional rate. Rhode Islanders' satisfaction with their health plans was 4 percentage points higher than the national rate and also similar to the regional rate. Interestingly, regardless of geographic area, more members were satisfied with their healthcare services than with their health plans.

Discussion. Increasingly, the public, purchasers, providers, and policy makers are seeking meaningful information about health plans. Since 1998, the Department of Health has had formal data collection efforts to track and quantify the performance of this industry and has produced annual reports on the subject.[6]

With the small number of health plans in the state and the market dominance of Blue Cross and Blue Shield of RI, most Rhode Islanders have limited choice of carrier. The lack of selective contracting also means that most plans provide services through the same network of physicians, hospitals, and other providers.

Therefore, the real value in publishing performance information is less in aiding consumer choice of insurer and more in fostering accountability of the industry. Purchasers deserve to know how well the plans are performing and policy makers need empirical evidence to set effective policy. An added benefit of this effort is that the performance of health plans will improve if for no other reason than the results are publicly reported.

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References

1. Kingsley J, Cryan B. The State of the Art in Health Plan Performance Reporting. Providence RI: Rhode Island Department of Health. March 2002.

2. Cryan B. RI Commercial Health Plans' Performance Report 2003. Providence RI: Rhode Island Department of Health. February 2005.

3. The Health Plan Employer Data and Information Set (HEDIS) is a set of performance measures for the managed care industry, administered by the National Committee for Quality Assurance.

4. The Consumer Assessment of Health Plans (CAHPS) is a set of standardized surveys assessing patient satisfaction among health plan members, administered by the National Committee for Quality Assurance.

5. Financial benchmarks: National Association of Insurance Commissioners' Health database. All other benchmarks: Quality Compass of the National Committee for Quality Assurance.

6. Annual reports are available on the Performance Measurement and Reporting Program website: http://www.health.ri.gov/chic/performance/index.php.

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